

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6601

BILL NUMBER: HB 1419

NOTE PREPARED: Dec 20, 2010

BILL AMENDED:

SUBJECT: Outdoor Advertising Sign Permits.

FIRST AUTHOR: Rep. McNamara

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill provides that a permit issued by the Indiana Department of Transportation (INDOT) for an outdoor advertising sign is valid for one year from the date of issuance. (Under current law, INDOT issues a lifetime permit.)

It provides for renewal of a permit.

It also requires INDOT to amend its rules governing permits to provide that the fee for an initial or renewal permit application is \$100. (Under current law, the fee for a lifetime permit is \$100.)

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues: The bill could increase revenue annually deposited in the State Highway Fund by an estimated \$905,200.

Additional Information and Background -

Outdoor Advertising Structures: During the spring inventory, INDOT counted 9,052 signs (ranging from billboards to semi-trailers parked in fields for advertising to sides of barns to small one-of-a-kind signs and even abandoned structures). Of those, 5,551 (61%) had no visible permit. Some of those 5,551 signs have permits that were never mounted or were mounted in such a way that they are not visible, some were found

to have been painted or rusted over, some were registered back in 1993, and some are illegal under the Highway Beautification Act.

New Structures: In CY 2010 to date, 122 new permits have been issued. In September 2010, INDOT inspectors began sending letters to sign owners or land owners with structures that were not properly displaying their permit plates or that had nonconforming signs, which may overstate the number that are added to the state inventory on an annual basis.

Exempt Structures: Certain structures in place prior to July 1, 1993, are currently exempt from the \$100 one-time permit fee, but instead pay a one-time fee of \$25. The number of exempt structures is unknown and would reduce the amount received in annual renewal fee revenue because they would be exempt from the annual renewal fee, as well.

Estimated Annual Revenue: Assuming that 9,052 structures are subject to annual fees and pay the \$100 annual renewal fee, INDOT would receive \$905,200 a year.

State Highway Fund: The statute does not indicate into which fund the fee revenue from outdoor advertising structure permits is to be deposited. In the rules promulgated by INDOT, the revenues are retained by INDOT, and currently the fees are deposited in the State Highway Fund [The State Highway Fund may be used for INDOT operations and construction, reconstruction, operations, maintenance, and control of state highways.]

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: Chris Keifer, INDOT, 317-233-3601.

Fiscal Analyst: Karen Firestone, 317-234-2106.